

## **IOWA FINANCE AUTHORITY BOARD MEETING MINUTES**

**Iowa Hospital Association Education Center  
100 E. Grand Avenue, First Floor  
Des Moines, Iowa**

**October 5, 2005**

### **BOARD MEMBERS PRESENT**

Vincent Lintz, Chair  
Kay Anderson, Vice Chair (via telephone)  
Carmela Brown, Treasurer  
Steve Adams (via telephone)  
Virginia Bordwell

Roger Caudron  
Heather Kramer  
Douglas Walter (via telephone)  
Dick Wright

### **STAFF MEMBERS PRESENT**

Bret L. Mills, Executive Director  
Jennifer Amodeo, Secretary/Marketing Asst.  
Lori Beary, Community Development Finance  
Officer  
Jim Brockbank, Underwriter/Appraiser  
Dan Brown Jr., Asset Management Specialist  
Roger Brown, Section 8 Director  
Mickey Carlson, Single Family Program  
Manager  
Mary Cort, Staff Accountant  
Stacy Cunningham, Quality Control  
Coordinator  
Donna Davis, Deputy Director/Director  
Housing Programs  
Dennis Dietz, Director of Policy and  
Governmental Affairs  
Alyson Fleming, Administrative Assistant  
Theresa Franzen, Accounting Technician 2  
Glenda Gaumer, Senior Housing Compliance  
Specialist  
Judy Hartman, Single Family Marketing  
Specialist (Realtors)  
Steven Harvey, Director of Operations  
Mark Hutchison, SRF Bond Manager  
Craig Johnson, Financial Analyst/Underwriter

Sharon Livingston, Budget Supervisor  
Shawna Lode, Communications Director  
Scott McClure, Asset Management Specialist  
Tim Morlan, Underwriter  
Julie Noland, Housing/Grants Manager  
Lloyd Ogle, Director, Title Guaranty Division  
Bev Olson, Marketing Executive  
Linda Penman, Administrative Assistant  
Karen Rasmussen, Single Family Marketing  
Specialist (Consumers)  
Susan Riedinger, Administrative Assistant  
Tracy Scebold, State Revolving Fund Manager  
Mike Sharp, Asset Management Specialist  
James Smith, CFO/Deputy Director  
Michele Stump, Asset Management Specialist  
Brian Sullivan, Asset Management Specialist  
Craig Swartzbaugh, Architect/ Construction  
Analyst  
Mark Thompson, General Counsel  
Tim Waddell, Tax Credit Manager  
Nancy Wallis, Administrative Assistant  
Christine Wetzler, Human Resources Team  
Leader  
Joanna Wilson, Attorney  
Vicky Winter-Clearman, Legal Secretary

### **OTHERS PRESENT**

Bob Bauman – Butler County REC  
Jim Conlin – Conlin Properties  
Grant Dugdale – Attorney Generals Office  
Emily Eisentrager – McGladrey & Pullen  
Monica Fischer – Dept. of Cultural Affairs

Cynthia Fodor & Staff – KCCI Television  
Rachel Flint – Hubbell Realty  
Darla Giese – Dorsey & Whitney Law Firm  
Ralph Gross – Merrill Lynch  
Dave Grossklaus – Dorsey & Whitney Law Firm

Irene Hardisty – Fannie Mae Community  
Business Center  
Michael Hayes – Hubbell Realty  
Brett Hyland – Hubbell Realty  
Nicole Jones – Treasurer of State  
Linda Kniep – Ahlers & Cooney Law Firm

Joe O'Hern – Fannie Mae Community  
Business Center  
Bruce Ray – Dept. of Housing and Urban  
Development  
Bill Reineke – HOUSES, Inc.  
Rick Tollikson – Hubbell Realty Company

### **CALL TO ORDER**

Chair Lintz called to order the October 5, 2005 meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:58 a.m. Roll call was taken and a quorum was established with the following members present: Lintz, Anderson, Brown, Adams, Bordwell, Caudron, Kramer, Walter, and Wright.

### **REVIEW AND APPROVAL OF MINUTES**

#### **September 7, 2005**

Chair Lintz introduced the minutes of the September 7, 2005 meeting of the Iowa Finance Authority Board of Directors.

Mr. Wright requested the inclusion of the Cedar Rapids affordable housing projects tour and an expression of appreciation to Ms. Kramer for her assistance with the tour, the inclusion of Mr. Carver's association with the Governor's Task Force on Fatherhood, and the recent publicity regarding Section 8 Housing and student athletes in Iowa City.

**MOTION:** On a motion by Mr. Caudron and a second by Mr. Walter, the Board unanimously approved the minutes of the September 7, 2005 meeting with the inclusion of the comments noted above.

### **ADMINISTRATION/MANAGEMENT REPORT**

Mr. Mills introduced Mr. Mark Thompson, General Counsel, and welcomed him to his first Board meeting. He said Mr. Thompson had most recently worked with IDED and the Iowa Lottery.

Mr. Thompson stated he was pleased to work at the Authority.

Mr. Mills said the Audit for FY05 was complete and was distributed to the Board. He stated a presentation by KPMG will be made at the November 2, 2005, meeting. Mr. Mills said he and Mr. Smith met with Piper Jaffray at the NCSHA Annual Conference in Boston and the Capital Adequacy study will be updated. He stated Standard and Poors will also make a presentation on the Authority's issuer rating at the December Board meeting; Key legislative staff will also be invited.

#### **Years of Service Awards for Staff**

Mr. Mills presented Years of Service Awards to staff. Each staff member recognized received a framed certificate and had his/her photograph taken with Chair Lintz. He stated Ms. Laura Abbott, Ms. Julie Lunn, Ms. Karen Klinkefus, and Ms. Sandra Konkler were unavailable for the meeting and will each receive their awards at a later date.

Chair Lintz stated it speaks a great deal about the Authority as an organization and work place, with little employee turn over and a pleasant environment, to have 25 staff members each receiving recognition for five years of service.

Mr. Mills recognized the following individuals: Ms. Jennifer Amodeo, Mr. Jim Brockbank, Mr. Dan Brown Jr., Ms. Mary Cort, Ms. Stacy Cunningham, Ms. Donna Davis, Ms. Alyson Fleming, Ms. Theresa Franzen, Ms. Glenda Gaumer, Ms. Judy Hartman, Mr. Mark Hutchison, Mr. Craig Johnson, Ms. Sharon Livingston, Mr. Scott McClure, Mr. Tim Morlan, Mr. Loyd Ogle, Ms. Bev Olson, Ms. Linda Penman,

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Ms. Karen Rasmussen, Ms. Susan Riedinger, Mr. Tracy Scebold, Mr. Mike Sharp, Ms. Michele Stump, Mr. Brian Sullivan, and Ms. Joanna Wilson.

Mr. Mills thanked the staff members indicated above and said each individual's dedication to the Authority and the Authority's constituents has been nothing but outstanding and led the audience in a round of applause.

Mr. Mills stated due to the exceptional work on the annual report by Ms. Fischer, the Authority received the NCSHA 2005 Award for Program Excellence in Communications annual report. He again thanked Ms. Fischer for her work on the annual report.

Ms. Fischer said not unlike many projects at the Authority, the work done for the annual report was a group undertaking. She mentioned Mr. Tim Waddell for his assistance in commissioning the photographs used and Ms. Shawna Lode, who wrote the nominations. Ms. Fischer also thanked all of the managers who provided the information for the annual report.

#### Report on Great Places Initiative

Ms. Fischer introduced the report on the Great Places Initiative. She said as part of the 2006 budget a grant of \$30,000 was made to the Great Places Initiative by the Authority per the Executive Order signed by Governor Vilsack. Ms. Fischer stated 146 communities expressed interest in becoming Great Places. She said the Governor also challenged state agencies to work together and design the initiative. Ms. Fischer said 18 agencies led the challenge. She stated the Great Places Citizen Advisory Board met the previous Monday and after a nine and one half hour meeting, selected the three pilot communities of Sioux City, Coon Rapids, and Clinton. She said housing was a key element of discussion in many of the communities.

Ms. Julie Noland demonstrated the Great Places Toolbox, which is an inventory of the state resources available through state government. She thanked Ms. Donna Davis and Mr. Mills for the opportunity to participate in the process. Ms. Noland stated currently the website is available to the Great Places coaches and will in the future be available as a public resource.

#### Presentation of [www.housinginiowa.org](http://www.housinginiowa.org)

Mr. Roger Brown demonstrated the housing in Iowa web site. He said the Governor's mandate after the hurricane Katrina disaster was to have a tool available to access all available housing units in the state. Mr. Brown stated Global Reach developed the working model and website. He said each property owner may register the units they have available.

Mr. Wright inquired as to the quality of the units and properties available.

Ms. Davis said due to the urgency of the project and the potential of housing many evacuees, it was originally thought a disclaimer about the properties listed might be necessary. She stated that after much discussion with legal counsel it was decided instead of a lengthy disclaimer, each property owner would list only those properties that were safe, sanitary, and decent at a fair rent. Ms. Davis said in the event of any complaints about particular properties, staff will follow up on that property and contact the property owner to discuss the listing of that particular property.

Mr. Brown stated there is considerable staff experience between the Section 8 and tax credit programs and familiarity with various property managers and owners.

Mr. Adams inquired as to the listing of tax credit properties.

Mr. Mills stated properties from both the Section 8 and tax credit programs are listed in addition to other available units in the state.

#### Report on Innovations in Government Grant Application

Mr. Craig Swartzbaugh distributed handouts to the Board regarding the alternative methodology proposed for utilization in Iowa for fully accessible units for persons with disabilities. He explained the solution was to find a way to convert a number of those units to fully accessible units, as in many cases a fully accessible unit may be rented to a person without a physical disability. Mr. Swartzbaugh stated that partnering with Iowa State University and Birch cabinets and utilizing cabinet prototypes, reduces expenses and the cabinets may be used for persons without physical disabilities and are very easily converted for use by persons with disabilities with very little effort.

Mr. Caudron inquired as to the expense involved.

Mr. Swartzbaugh stated with the University's assistance reductions in costs are being reviewed especially in the hardware that is utilized.

Ms. Brown suggested notifying Senator Harkin's office of the project for his support.

Ms. Bordwell requested copies of the handouts be given to the Iowa Able Foundation Board and the State Public Policy Group.

Mr. Caudron requested a demonstration of the project when it is available.

#### Resolution Re: Fannie Mae Recognition

Mr. Mills introduced the Resolution Re: Fannie Mae Recognition. He said it was Ms. Mickey Carlson's idea to formally recognize the partnership the Authority has with Fannie Mae. He read the resolution aloud and presented Mr. Joe O'Hern and Ms. Irene Hardisty with the framed resolution.

**MOTION:** Mr. Caudron made a motion approving the Resolution Re: Fannie Mae Recognition. On a second by Ms. Bordwell, the Board unanimously approved the Resolution Re: Fannie Mae Recognition.

### **LEGAL / REGULATORY**

#### Final Action Re: 265 IAC Chapter 25; Entrepreneurs with Disabilities Program

Mr. Thompson introduced the Final Action Re: 265 IAC Chapter 25; Entrepreneurs with Disabilities Program. He said there were no public comments received, no changes have been made to the rules, and the rules are in the same version as previously noticed.

**MOTION:** Ms. Brown made a motion approving the Final Action Re: 265 IAC Chapter 25; Entrepreneurs with Disabilities Program. On a second by Mr. Wright, the Board unanimously approved the Final Action Re: 265 IAC Chapter 25; Entrepreneurs with Disabilities Program.

### **FINANCE AND ACCOUNTING**

#### Finance Update

Mr. Harvey stated revenues were \$607,138 favorable to budget due to the high volume of Single Family MRB transactions generating higher than planned interest income and service acquisition fees. He said the Economic Development loan fees and LIHTC market study fees also exceeded budget. Mr. Harvey stated Title Guaranty fees continue to trail budget. He said expenses were unfavorable to budget by \$897,345 due to interest expense, service release premiums, grant expense, and market study expense exceeding budget. Mr. Harvey stated operating expenses were under budget.

Mr. Harvey stated revenue for the State Revolving Fund was unfavorable to budget by \$3.8 million due to the slow draw down of EPA capitalization grants. He said a resolution was passed at the September 7,

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2005, Board of Directors meeting to issue bonds for that purpose. Mr. Harvey stated the uncommitted fund balance is \$44.3 million.

#### Approval of Financial Statement

**MOTION:** On a motion by Ms. Anderson and a second by Ms. Bordwell, the Board unanimously approved the August 2005 financial statement.

### **COMMUNITY / ECONOMIC DEVELOPMENT /STATE REVOLVING FUND (SRF) PROGRAM**

#### **ED Loan #05-20, Drake University**

Ms. Beary introduced the application for \$17,000,000 of Iowa Finance Authority Private College Refunding Revenue Bonds for Drake University in Des Moines. She said the bonds will be used to refund 1996 bonds to reduce long term debt costs to the university. Ms. Beary stated the project will not require Private Activity Bond Cap.

#### #05-20A

**MOTION:** Ms. Brown made a motion approving the application for \$17,000,000 of Iowa Finance Authority Private College Refunding Revenue Bonds (Drake University Project), Series 2005 for Drake University, (the "Borrower") and evidencing the intent to proceed with the issuance of not to exceed \$17,000,000 Private College Refunding Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously approved Resolution #05-20A.

#### **ED Loan #05-21, Wahlert High School**

Ms. Beary introduced the application for \$12,500,000 of Iowa Finance Authority Educational Facility Revenue Bonds for Holy Family Catholic Schools Wahlert High School project in Dubuque. She said the bonds will be used for an addition to Wahlert High School to accommodate a middle school and renovation of existing space. Ms. Beary stated the project will not require Private Activity Bond Cap.

#### #05-21A

**MOTION:** Mr. Adams made a motion approving the application for \$12,500,000 of Iowa Finance Authority Educational Facility Revenue Bonds (Wahlert High School dba Holy Family Catholic Schools Project), Series 2005 for Wahlert High School dba Holy Family Catholic Schools (the "Borrower") and evidencing the intent to proceed with the issuance of \$12,500,000 Educational Facility Revenue Bonds. On a second by Mr. Walter, the Board unanimously approved Resolution #05-21A.

#### **Public Hearing for Spring Village**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$4,750,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Spring Village Project in Davenport. She said the bonds will be used to purchase Spring Village, a project based Section 8 property consisting of 120-units for seniors. Ms. Beary stated the borrowers are Midwest Affordable Housing Corp and Cardinal Capital Management from Wisconsin.

#### Public Hearing

Chair Lintz opened the public hearing at 11:59 a.m. regarding the issuance of an amount not to exceed \$4,750,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Spring Village Project in Davenport. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public hearing at 12:00 p.m.

### **Public Hearing for Trinity Health**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$25,000,000 of Iowa Finance Authority Hospital Revenue Bonds for Trinity Health. She said the bonds will be used for the renovation and expansion of facilities in Clinton, New Hampton, Mason City, Charles City and Sioux City and for the purchase of equipment.

### **Public Hearing**

Chair Lintz opened the public hearing at 12:01 p.m. regarding the issuance of an amount not to exceed \$25,000,000 of Iowa Finance Authority Hospital Revenue Bonds for Trinity Health. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public comment period at 12:02 p.m.

### **ED Loan #05-14, Trinity Health**

Ms. Beary introduced the authorizing resolution for \$25,000,000 of Iowa Finance Authority Hospital Revenue Bonds for Trinity Health. She said the inducement resolution was adopted on September 7, 2005. Ms. Beary stated the project will not require Private Activity Bond Cap.

### **Resolution #05-14B**

**MOTION:** Mr. Caudron made a motion approving the authorizing resolution for \$25,000,000 Iowa Finance Authority Hospital Revenue Bonds (Trinity Health Corporation Project), Series 2005 for Trinity Health Corporation (Trinity Credit Group) (the "Borrower") and evidencing the intent to proceed with the issuance of \$25,000,000 Hospital Revenue Bonds. On a second by Mr. Adams, a vote was taken with the following results: YES – Lintz, Anderson, Adams, Bordwell, Caudron, Kramer, Walter, and Wright. NO – None; ABSTAIN – Brown, who stated a conflict of interest as the state lobbyist for Trinity Health Corporation. (See attached letter). The Board approved Resolution #05-14B on a majority vote.

### **Public Hearing for CCV I, LLC and Doudna Project**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,090,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for CCV I, LLC and Doudna Project in West Des Moines. She said the bonds will be used for the purchase and rehabilitation of a 2-building 16-unit townhome complex, a part of Country Club Village.

### **Public Hearing**

Chair Lintz opened the public hearing at 12:03 p.m. regarding the issuance of an amount not to exceed \$1,090,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for CCV I, LLC and Doudna Project in West Des Moines. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public comment period at 12:04 p.m.

### **Public Hearing for CCV I, LLC**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$13,695,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for CCV I, LLC in West Des Moines. She stated the bonds will be used for the purchase and rehabilitation of an 11-building, 294-unit apartment complex currently known as Country Club Village.

### **Public Hearing**

Chair Lintz opened the public hearing at 12:05 p.m. regarding the issuance of an amount not to exceed \$13,695,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for CCV I, LLC in West Des Moines. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public

comment period at 12:06 p.m.

Mr. Caudron inquired as to the reason for the separate consideration of the two CCV projects and the ownership of the projects.

Ms. Linda Kniep, of the Ahlers and Cooney Law Firm, stated the owner is one individual for the apartment building, but the owners of the townhomes are two separate individuals.

#### **Public Hearing for West Des Moines Housing Associates**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$8,900,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for West Des Moines Housing Associates. She said the bonds will be used to construct a 168-unit apartment complex in West Des Moines.

#### **Public Hearing**

Chair Lintz opened the public hearing at 12:07 p.m. regarding the issuance of an amount not to exceed \$8,900,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for West Des Moines Housing Associates. Ms. Beary stated the Authority had received no verbal or written comments regarding the project. There being no verbal or written comments from the audience, Chair Lintz closed the public comment period at 12:08 p.m.

The following public hearings for Pella Housing Partners (Shady Creek), Grinnell Housing Partners (West Towne Apartments), Monroe Housing Partners (Gateway Apartments), Kellogg Housing Partners (Ridge View Apartments), and Newton Housing Partners (Forest View Apartments) were combined with the consent of Counsel, as the ownership for each project is the same entity.

#### **Public Hearing for Pella Housing Partners (Shady Creek)**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,970,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Pella Housing Partners. She stated the bonds will be used to refund 1998 bonds and issue bonds with a lower interest rate and an extended maturity.

#### **Public Hearing for Grinnell Housing Partners (West Towne Apartments)**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,995,377 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Grinnell Housing Partners. She stated the bonds will be used to refund 1998 bonds and issue bonds with a lower interest rate and an extended maturity.

#### **Public Hearing for Monroe Housing Partners (Gateway Apartments)**

Ms. Beary requested the Authority hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$900,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Monroe Housing Partners. She said the bonds will be used to refund 1998 bonds and issue bonds with a lower interest rate and an extended maturity.

#### **Public Hearing for Kellogg Housing Partners (Ridge View Apartments)**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$900,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Kellogg Housing Partners. She stated the bonds will be used to refund 1998 bonds to issue bonds with a lower interest rate and an extended maturity.

**Public Hearing for Newton Housing Partners (Forest View Apartments)**

Ms. Beary asked the Authority to hold a public hearing at 10:45 a.m. regarding the issuance of an amount not to exceed \$1,960,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Newton Housing Partners. She said the bonds will be used to refund 1998 bonds and to issue bonds with a lower interest rate and an extended maturity.

**Public Hearing**

Chair Lintz opened the public hearing at 12:09 p.m. regarding the issuance of an amount not to exceed: \$1,970,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Pella Housing Partners, \$1,995,377 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Grinnell Housing Partners, an amount not to exceed \$900,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Monroe Housing Partners, an amount not to exceed \$900,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds for Kellogg Housing Partners, an amount not to exceed an amount not to exceed \$1,960,000 of Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds and an amount not to exceed \$1,960,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for Newton Housing Partners. Ms. Beary stated the Authority had received no verbal or written comments regarding the projects. There being no verbal or written comments from the audience, Chair Lintz closed the public comment period at 12:10 p.m.

**ED Loan #716C, Pella Housing Project (Shady Creek)**

**ED Loan #717C, Grinnell Housing Project (West Towne Apartments)**

**ED Loan #718C, Monroe Housing Project (Gateway Apartments)**

**ED Loan #719C, Kellogg Housing Project (Ridge View Apartments)**

**ED Loan #720C, Newton Housing Project (Forest View Apartments)**

Ms. Beary introduced the amending resolutions for \$1,970,000 Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds of for Pella Housing Partners in Pella, \$1,995,377 of Iowa Finance Authority Housing Revenue Refunding Bonds and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds for Grinnell Housing Partners in Grinnell, \$900,000 of Iowa Finance Authority Housing Revenue Refunding Bonds and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds for Monroe Housing Partners in Monroe, \$900,000 of Iowa Finance Authority Housing Revenue Refunding Bonds and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds for Kellogg Housing Partners in Kellogg, and \$1,960,000 of Iowa Finance Authority Housing Revenue Refunding Bonds and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds for Pella Housing Partners in Pella. She said the reduced interest rate and extended maturity will help the cash flow of each project.

**Resolution #716C**

**Resolution #717C**

**Resolution #718C**

**Resolution #719C**

**Resolution #720C**

**MOTION:** Mr. Wright made a motion approving the amending resolution no. 716B regarding \$1,970,000 Iowa Finance Authority Multifamily Housing Revenue Refunding Bonds (Pella Housing Project), Series 1998A and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds (Pella Housing Project), Series 1998B (the "Bonds"), approving the amending resolution no. 717B regarding \$1,995,377 of Iowa Finance Authority Housing Revenue Refunding Bonds (Grinnell Housing



Project), Series 1998A and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds (Grinnell Housing Project), Series 1998B (the "Bonds"), approving the amending resolution no. 718B regarding \$900,000 of Iowa Finance Authority Housing Revenue Refunding Bonds (Monroe Housing Project), Series 1998A and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds (Monroe Housing Project) approving the amending resolution no. 719B regarding \$900,000 of Iowa Finance Authority Housing Revenue Refunding Bonds (Kellogg Housing Project), Series 1998A and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds (Kellogg Housing Project), and approving the amending resolution no. 720B regarding \$1,960,000 of Iowa Finance Authority Housing Revenue Refunding Bonds (Newton Housing Project), Series 1998A and \$250,000 Iowa Finance Authority Taxable Multifamily Housing Revenue Bonds (Newton Housing Project) Series 1998B (the "Bonds"). On a second by Ms. Anderson the Board unanimously approved Resolutions 716C, 717C, 718C, 719C, and 720C.

Ms. Beary referred to the handout which reflects the current allocation of state bond cap.

#### State Revolving Fund Update

Ms. Beary reported the DNR will host workshops on the new Clean Water SRF process with the Authority's involvement on October 11, 2005 in Cedar Falls and on October 12, 2005 in Ankeny, Iowa. She said a public hearing will be held on October 18, 2005 for the notice on the administrative rules. Ms. Beary stated the administrative rules review committee did not request the Authority's presence at their last meeting.

Mr. Wright inquired if this was a good sign.

Ms. Beary stated in the affirmative and said it would appear the Authority's presence was not requested as the rules are not controversial.

### **HOUSING PROGRAMS**

#### Low Income Housing Tax Credits

##### Resolution Re: Waiting List Allocation to Court Avenue Partners II, L.P.

Ms. Donna Davis introduced the Resolution Re: Waiting List Allocation to Court Avenue Partners II, L.P.

Mr. Caudron requested clarification on the justification for the waiver of the requirements of the Qualified Allocation Plan and stated his concerns as to the possibility a precedent would be set by doing so.

Mr. Mills responded and stated a waiver is not being provided to the owner or developer of the project. He stated a remedy is what is being provided. Mr. Mills said the Board upheld his recommendation that during further review in the appeals process a different conclusion would have been reached for the appellant. He said after consulting with the Attorney General's Office and both former and present General Counsel, the question of reasonableness should be addressed. Mr. Mills stated but for the Authority's actions it is likely the appellant would have received HOME dollars in conjunction with their tax credit application. He said the project was initially denied threshold and therefore did not receive consideration by the Board for tax credits during the initial round of funding.

Mr. Mills stated it is his opinion and recommendation that it is reasonable to consider an award of an amount not to exceed \$279,126 to the project.

Mr. Caudron said his understanding is that in consideration of the amount awarded to the project, the developers would not request HOME funds for the project during the next funding round.

Mr. Mills stated his understanding is that provided the Board approves the Resolution before them, the project moves forward from today. He said the developer will not bring the project back for additional funding during a future low income housing tax credit funding round.

Mr. Caudron suggested the stated condition be added to the Resolution.

Ms. Bordwell suggested the condition be added to the Resolution for future reference.

Mr. Caudron stated the condition should be added to the Resolution for future reference and as a promise by the owner and developer.

Mr. Caudron inquired as to the urgency of the project to move forward with the next funding round less than five months away.

Mr. Rick Tollikson, of Hubbell Realty, said the reason for the urgency is that the developer currently has a contract with the City of Des Moines that would be forfeited without the additional funding by the Authority.

Mr. Caudron inquired as to the anticipated date construction would begin on the project.

Mr. Tollikson said just as soon as the architects drawings are approved by the City and with approval of the various permits required, construction would begin.

Mr. Lintz inquired as to the income mix of the units in the project.

Mr. Tollikson stated without the use of HOME funds in the project the mix will be 60%.

Ms. Bordwell inquired as to why the architect's drawings and permit work had not yet been finalized.

Mr. Tollikson stated without the Authority's funding, the project would not move forward.

Mr. Thompson read the following language into the record to be included in the Resolution after Section 1: "On the condition that the 4<sup>th</sup> and Court project shall not seek HOME funds for this project."

**MOTION:** Mr. Wright made a motion approving the Resolution Re: Waiting List Allocation to Court Avenue Partners II, L.P in an amount not to exceed \$279,126, which amount may be adjusted downward based on underwriting by the Authority staff, and on the condition the 4<sup>th</sup> and Court Project shall not seek HOME funds for the project. On a second by Mr. Caudron the Board unanimously approved the Resolution Re: Waiting List Allocation to Court Avenue Partners II, L.P.

#### Community Development

##### Main Street Revitalization Loan Program – Bakery Building Project (Sigourney)

Mr. Craig Johnson introduced the Main Street Revitalization Loan Program – Bakery Building Project (Sigourney) Resolution. He said the building, which was built in 1867, is locally known as the Bakery Building and was purchased and renovated by Mr. Gary Bain. Mr. Johnson stated the Resolution is for a loan not to exceed \$182,000 at an interest rate not to exceed 6% for a term of 15 years.

**MOTION:** Ms. Bordwell made a motion to approve the Main Street Revitalization Loan Program – Baker Building Project (Sigourney) Resolution in an amount not to exceed \$182,000. On a second by Mr. Caudron, the Board unanimously approved the Resolution.

##### Main Street Revitalization Loan Program – Seible Hardware Building Project (Sigourney)

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Mr. Johnson introduced the Main Street Revitalization Loan Program – Seible Hardware Building Project (Sigourney) Resolution. He said the building, which was built in 1890, is locally known as the Seible Hardware Building and was purchased and renovated by Mr. Gary Bain. Mr. Johnson stated the Resolution is for a loan not to exceed \$187,100 at an interest rate not to exceed 6% for a term of 15 years.

**MOTION:** Ms. Bordwell made a motion approving the Main Street Revitalization Loan Program – Bakery Building Project (Sigourney) Resolution in an amount not to exceed \$187,100. On a second by Mr. Caudron, the Board unanimously approved the Resolution.

#### Housing Assistance Programs

##### Resolution Re: Senior Living Revolving Loan Fund – Prime Living Apartments

Mr. Johnson introduced the Resolution Re: Senior Living Revolving Loan Fund for Prime Living Apartments. He said SCAAL, L.L.P., (Sioux City Affordable Assisted Living, L.L.P.) the Owner has been approved for a permanent first mortgage loan on the Prime Living Apartments in the amount of \$1,671,235 on March 3, 2005, from the Senior Living Revolving Loan Program. Mr. Johnson stated the project requires additional assistance to facilitate a construction loan at lower rates than those available commercially. He said the resolution authorizes the Authority to participate with a construction lender in a first mortgage construction loan to the Owner, in an amount not to exceed \$1,671,235 with a maturity of not to exceed 24 months with such loan secured by a first mortgage loan on the Prime Living Apartments at the rate of 7-8%.

**MOTION:** Mr. Caudron made a motion approving the Resolution Re: Senior Living Revolving Loan Fund – Prime Living Apartments in an amount not to exceed \$1,671,235. On a second by Ms. Anderson, the Board unanimously approved the Resolution.

### **TITLE GUARANTY DIVISION (TGD)**

Mr. Loyd Ogle referred to the charts included in the Board materials and updated the Board on upcoming events of the Division.

#### Transfer of Funds to Housing Programs

Mr. Ogle announced the Title Guaranty Board of Directors approved a transfer of \$300,000 to the Authority's housing programs.

**MOTION:** On a motion by Ms. Brown and a second by Mr. Caudron, the Board unanimously accepted the transfer of \$300,000 from the Title Guaranty Division to the Authority's housing programs.

Mr. Mills expressed his appreciation to Mr. Ogle and his staff for the excellent turnout at the Annual TGD Conference. He said there were many positive comments from the conference attendees.

### **POLICY / LEGISLATION**

Mr. Dennis Dietz referred to the handout included in the Board materials.

### **COMMUNICATIONS**

Ms. Shawna Lode referred to the handouts included in the Board materials and updated the Board on upcoming conferences and events, as well as news articles that would appear in the future.

### **MISCELLANEOUS ITEMS**

#### Receive Comments from General Public

Chair Lintz opened the public comment period and asked if anyone in the audience would like to address the Board.

The minutes set forth are an unofficial copy of this month's Board meeting minutes. For an official (signed) copy, please contact the Authority.

Mr. Jim Conlin, of Conlin Properties, spoke to the Board on the proposed property tax issue which would convert the commercial classification of multifamily dwellings to residential classification.

Mr. Joe O'Hern, of the Fannie Mae Community Business Center, thanked the Board for the Resolution on behalf of himself and the efforts of Ms. Irene Hardisty.

There being no one else present wishing to address the Board, Chair Lintz closed the public comment period.

#### Next Month

The next regular meeting will be held at 10:45 a.m. on Wednesday, November 2, 2005 in the Iowa Hospital Association Education Center, 100 East Grand Avenue, Des Moines.

### **ADJOURNMENT**

There being no further business, on a motion by Mr. Caudron and a second by Mr. Adams, the October meeting of the Iowa Finance Authority Board of Directors adjourned at 1:11 p.m.

Dated this 2<sup>nd</sup> day of November 2005.

Respectfully submitted:

Approved as to form:

Bret L. Mills  
Executive Director  
Iowa Finance Authority

Vincent C. Lintz, Chair  
Iowa Finance Authority

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